

19 September 1985

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Office of Personnel Management (OPM)
Representatives on Agency Retirement Proposal

STAT 1. Summary: As a follow up to discussions with the Office of Management and Budget (OMB) regarding the Agency's retirement legislative proposal, [] met with Curt Smith, Policy Advisor to the Director, OPM to determine what, if any, problems OPM might have with our proposal to establish an internally administered retirement program. Mr. Smith was accompanied by Mr. Jerome Julius who heads up OPM's retirement operations. Mr. Smith was very straight forward in his remarks which covered the following:

- ° He saw no basic problem with an internally administered program.
- ° However, unsolicited, he quickly pointed out OPM would be very much against any benefits for our Civil Service employees (Non-CIARDS) beyond those provided elsewhere in government for both the current and new supplemental systems.
- ° While he foresaw no problem with an internally administered system, OPM would essentially attempt to hold that issue hostage to gain benefits concessions.

STAT 2. In opening the meeting [] pointed out two basic issues: (1) our security concerns for identities and information on Agency employees being maintained outside the Agency and (2) the benefits Agency management believes are necessary to meet Agency mission needs. [] pointed out that the Agency recognizes that its case on retirement benefits must be made to OMB and the Congress. Meanwhile, we wanted to know whether OPM had any problems with the Agency internally administering a retirement system for all Agency employees. He further stated that OPM employees had been very helpful over the years, but that computers and Identities Legislation dictated our taking a new look at records and information maintained outside the Agency.

STAT

SUBJECT: Meeting with Office of Personnel Management (OPM)
Representatives on Agency Retirement Proposal

STAT 3. Neither Mr. Smith nor Mr. Julius objected to our
administering a retirement system to protect Agency employees.
At the same time, however, Mr. Smith was clear that OPM will not
separate the security issue from that of benefits as long as we
differ from the Administration on retirement legislation. He
asked what was in our package and [] explained, without
getting into specifics, that we were attempting to preserve early
retirement features, reward all overseas service equitably and
establish equitable benefits for all our employees. In response
STAT to a direct question regarding Social Security coverage, Mr.
[] made it clear we were not trying to get out of Social
Security and that battle was fought several years ago.

4. It was apparent that Mr. Smith had done his homework. He
is a recent transfer from OMB and was attuned to the dialogues
that have occurred between the Agency and OMB. He referred to
the Agency's discussions with OMB about providing better benefits
to Agency non-CIARDS type employees at a time when the
Administration is proposing increased retirement ages, etc. He
was also aware of such things as OMB's discussions and
suggestions to the Agency that we liberalize CIARDS to include
more employees. He stated several times his belief that Agency
civil servants (non-CIARDS types) are no different than the rest
of government and could and should work to age 62. In short he
is not sympathetic to our non-CIARDS employees. In fact, he
volunteered the idea that a possible solution to our problem
would be requiring less than 5 years qualifying service under
CIARDS. On an ending note, he wanted to know whom we were
dealing with at OMB. He was familiar with the individuals cited
and I expect that OMB and OPM will likely have a dialogue on our
meeting.

